



Montana Environmental Trust Group LLC,
Trustee of the Montana Environmental Custodial Trust
By Greenfield Environmental Trust Group, Inc., Member
P.O. Box 1189 Helena, Montana 59624
Telephone: (406)457-2142
Email: ir@g-etg.com

March 7, 2016

By Electronic Mail

For the State of Montana

Jenny Chambers/Bill Kirley/Russ Rowsey
Department of Environmental Quality
1100 N. Last Chance Gulch
P.O. Box 200901
Helena, Montana 59620-0901

Mary Capdeville/Harley Harris
Montana Department of Justice
1301 Lockey Avenue
P.O. Box 201425
Helena, Montana 59620-1425

For the United States

Alan Tenenbaum/Elliot Rockler
Environmental Enforcement Section
Environment & Natural Resources Div.
U. S. Department of Justice
P.O. Box 7611
Ben Franklin Station
Washington, D.C. 20044-7611

Chuck Figur
Senior Attorney
US EPA Region 8 (ENF-L)
1595 Wynkoop Street
Denver, CO 80202-1129

Deb Thomas
Deputy Regional Administrator
US EPA Region 8—Montana Office
10 West 15th Street Suite 3200
Helena, MT 59626

Dana Jacobsen
Department of the Interior
Office of the Solicitor
2850 Youngfield Street
Lakewood, Colorado 80215

Amy L. Horner
Department of the Interior
Environmental Restoration Branch
Division of Parks and Wildlife
Office of the Solicitor
1849 C St NW MS 3210
Washington, DC 20240

Robert Kirkpatrick
Deputy Director, Engineering, Fleet,
Geospatial Services & Sustainable
Operations
USDA Forest Service
5785 HWY 10 West
Missoula, MT 59808

Dear Ladies and Gentlemen:

As Trustee for the Montana Environmental Custodial Trust (the Custodial Trust), Montana Environmental Trust Group LLC, hereby submits the attached financial statements for the following Custodial Trust Accounts to the beneficiaries of the Custodial Trust:

- (1) The Custodial Trust Administrative Account;
- (2) The East Helena Cleanup Account;

- (3) The Mike Horse/Upper Blackfoot Mining Complex Cleanup Account
- (4) The Black Pine Cleanup Account; and
- (5) The Iron Mountain Cleanup Account

The attached financial statements cover the quarter and year ending December 31, 2015 and are submitted pursuant to the Custodial Trust's obligations under ¶6.1 of the Environmental Custodial Trust Agreement (Attachment D to the Consent Decree and Settlement Agreement Regarding the Montana Sites).

In addition, as this is the final report for 2015, year-end summaries are provided for the following:

- (1) The East Helena Natural Resources Damage Account
- (2) The Black Pine Natural Resources Damage Account
- (3) The Iron Mountain Natural Resources Damage Account

Please do not hesitate to contact me or Cindy Brooks with any questions pertaining to the attached.

Sincerely,
Montana Environmental Trust Group, LLC
Trustee of the Montana Environmental Custodial Trust
By: Greenfield Environmental Trust group, Inc., Member



Name: Jennifer Roberts
Title: Financial Affairs Manager

Attachments

cc:

Betsy Burns—EPA-8
Cynthia Brooks—Greenfield
Lauri Gorton—Greenfield
Nathan McCarthy— Wipfli
Melody McDonough – Greenfield
Justin Mosness—Wipfli
Joe Vranka—EPA-8
Marc Weinreich—Greenfield

Accountant's Compilation Report

To the Trustees and Beneficiaries
Montana Environmental Trust Group LLC
Trustee for the Montana Environmental Custodial Trust
Helena, MT

The Trustees are responsible for the accompanying financial statements of; the Custodial Trust Administrative Account, the East Helena Cleanup Account, the Mike Horse/Upper Blackfoot Complex Cleanup Account, the Black Pine Cleanup Account, the Iron Mountain Cleanup Account, the East Helena Natural Resource Damage Account, the Black Pine Natural Resource Damage Account, and the Iron Mountain Natural Resource Damage Account (collectively the Custodial Trust), which comprise the statement of financial position—prescribed format basis as of December 31, 2015, and the related statements of activities—prescribed format basis for the quarter and year then ended and for determining that the prescribed format basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with *Statements on Standards for Accounting and Review Services* promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by the trustees. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The financial statements are prepared in accordance with the prescribed format basis of accounting in accordance with the requirements of the Custodial Trust's obligations under ¶6.1 of the Environmental Custodial Trust Agreement (Attachment D to the Consent Decree and Settlement Agreement Regarding the Montana Sites), which is a basis of accounting other than accounting principles generally accepted in the United States.

Management has elected to omit substantially all the disclosures ordinarily included in financial statements prepared in accordance with the prescribed format basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Custodial Trust's assets, liabilities, net assets, revenues, and expenses. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Supplementary Information

The Black Pine Mine Custodial Trust Expense Tracking and East Helena Clean-Up Account 2015/2016 Construction Budget supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information is the representation of the trustees. The information was subject to our compilation engagements; however, we have not audited or reviewed the supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such supplementary information.

Wipfli LLP

Wipfli LLP
March 7, 2016
Helena, MT

Montana Environmental Custodial Trust
Custodial Trust Administrative Account

STATEMENT OF FINANCIAL POSITION

As of December 31, 2015

ASSETS

Current assets

Cash, First Interstate Bank	\$ 34,973.79
Prepaid Insurance (Included in 2015 Budget)	47,265.00
Due from other cost centers	<u>17,885.60</u>
Total current assets	100,124.39

Investments, Pershing Advisory Solutions

6,367,261.77

Total assets

\$ 6,467,386.16

LIABILITIES AND NET ASSETS

Accounts payable	\$ 29,569.76
Due to other cost centers	<u>-</u>
	29,569.76

Net assets

6,437,816.40

Total net assets and liabilities

\$ 6,467,386.16

Montana Environmental Custodial Trust
Custodial Trust Administrative Account

STATEMENTS OF ACTIVITIES

For the quarter and year ending December 31, 2015

	4th QTR	YTD	Approved Budget	Variance	Percentage of Budget
Revenues:					
Investment income, net of fees	\$ (23,912.37)	\$ 20,926.25			
Unrealized gains (losses)	(13,402.79)	14,161.21			
Total revenues (losses)	(37,315.16)	35,087.46			
Expenses:					
1.A Financial Affairs					
1.A.1 Wipfli LLP	6,217.24	26,287.76	\$ 36,000.00	\$ (9,712.24)	73.02%
1.C Property Taxes					
1.C.1 East Helena	43,843.00	96,614.88	166,287.00	(69,672.12)	58.10%
1.C.2 UBMC-Mike Horse	1,994.95	3,029.72	3,511.00	(481.28)	86.29%
1.C.3 Black Pine	1,616.46	4,342.90	7,264.00	(2,921.10)	59.79%
1.C.4 Iron Mountain	133.18	280.97	379.00	(98.03)	74.13%
1.C Property Taxes Total	47,587.59	104,268.47	177,441.00	(73,172.53)	58.76%
1.F Site Security					
1.F.1 East Helena	2,262.50	18,508.59	31,503.00	(12,994.41)	58.75%
1.F.2 UBMC-Mike Horse	75.00	3,556.45	49,641.00	(46,084.55)	7.16%
1.F.3 Black Pine	4,932.26	19,989.73	20,184.00	(194.27)	99.04%
1.F.4 Iron Mountain	-	-	-	-	0.00%
1.F Site Security Total	7,269.76	42,054.77	101,328.00	(59,273.23)	41.50%
1.G Insurance					
1.G.1 Commercial General Liability	-	47,265.00	52,000.00	(4,735.00)	90.89%
1.G.2 Vehicle-Equipment Insurance	(1,985.00)	5,778.00	7,343.00	(1,565.00)	78.69%
1.G.3 Property Insurance	-	23,456.25	24,629.00	(1,172.75)	95.24%
1.G Insurance Total	(1,985.00)	76,499.25	83,972.00	(7,472.75)	91.10%

Montana Environmental Custodial Trust
Custodial Trust Administrative Account

STATEMENTS OF ACTIVITIES

For the quarter and year ending December 31, 2015

	4th QTR	YTD	Approved Budget	Variance	Percentage of Budget
1.H Trust Legal Affairs					
1.H.1 Outside Council	-	694.50	4,914.00	(4,219.50)	14.13%
1.H.2 Records Segregation Costs	-	-	2,450.00	(2,450.00)	0.00%
1.H.3 GETG Professional Fees	1,968.75	4,896.25	4,950.00	(53.75)	98.91%
1.H.4 Water Rights	-	38.00	4,800.00	(4,762.00)	0.79%
1.H Trust Legal Affairs Total	1,968.75	5,628.75	17,114.00	(11,485.25)	32.89%
1.I Unpatented Mining Claim Maint.					
1.I.1 Fees for Unpatented Mining Claims	-	52,307.06	54,683.00	(2,375.94)	95.66%
1.K Property Sales					
1.K.1 East Helena	8,497.03	49,029.28	61,569.00	(12,539.72)	79.63%
1.L Trustee Costs					
1.L.1 Trustee Fees	12,706.00	26,673.25	34,180.00	(7,506.75)	78.04%
1.L.2 Trustee Expenses	236.58	914.82	5,000.00	(4,085.18)	18.30%
1.L Trustee Costs Total	12,942.58	27,588.07	39,180.00	(11,591.93)	70.41%
Total expenses	82,497.95	383,663.41	571,287.00	\$ (187,623.59)	67.16%
Change in net assets	(119,813.11)	(348,575.95)	\$ (571,287.00)		
Net assets, beginning of period	6,557,629.51	6,786,392.35			
Net assets, end of period	\$ 6,437,816.40	\$ 6,437,816.40			

Montana Environmental Custodial Trust

East Helena Clean-up Account

STATEMENT OF FINANCIAL POSITION

As of December 31, 2015

ASSETS

Current assets

Cash, First Interstate Bank	\$ 2,180,600.01
Accounts receivable	14,976.89
Due from other cost centers	-
Total current assets	<u>2,195,576.90</u>

Investments, Pershing Advisory Solutions

61,940,460.80

Total assets

\$ 64,136,037.70

LIABILITIES AND NET ASSETS

Liabilities

Accounts payable	\$ 3,052,387.28
Retention hold-back payable	356,871.68
Due to other cost centers	<u>9,476.84</u>
Total current liabilities	<u>3,418,735.80</u>

Net assets

60,717,301.90

Total net assets and liabilities

\$ 64,136,037.70

Montana Environmental Custodial Trust
East Helena Clean-up Account
STATEMENTS OF ACTIVITIES
For the quarter and year ending December 31, 2015

	4th QTR	YTD	Approved Budget*	Variance	Percentage of Budget
Revenues:					
2.RNT · Rental Income					
Agricultural Tenants	\$ 3,807.00	\$ 3,807.00			
Sale of Assets	5,075.00	9,575.00			
Slag Pile	-	69,708.00			
2.RNT · Rental Income Total	8,882.00	83,090.00			
Investment income, net of fees	(260,418.71)	930,536.70			
Unrealized gains (losses)	282,402.01	(473,903.44)			
Total revenues (losses)	30,865.30	539,723.26			
Expenses:					
2.A · Water Treatment Plant					
2.A.1 · WTP O&M	19,513.36	72,105.76	\$ 257,375.00	\$ (185,269.24)	28.02%
Total 2.A · Water Treatment Plant	19,513.36	72,105.76	257,375.00	(185,269.24)	28.02%
2.B · General Site Operations					
2.B.1 · Operations & Maintenance	15,928.61	69,569.38	111,850.00	(42,280.62)	62.20%
2.B.2 · Office Operations	24.75	3,976.39	21,000.00	(17,023.61)	18.94%
2.B.3 · Safety	630.25	16,381.44	25,850.00	(9,468.56)	63.37%
2.B.6 · Emergency Response	-	-	20,000.00	(20,000.00)	0.00%
2.B.7 · Modular Offices	825.00	5,220.00	9,500.00	(4,280.00)	54.95%
Total 2.B · General Site Operations	17,408.61	95,147.21	188,200.00	(93,052.79)	50.56%
2.C · Waste Disposal					
2.C.1 · HDS	-	-	2,000.00	(2,000.00)	0.00%
2.C.2 · Contaminated Debris	-	-	9,650.00	(9,650.00)	0.00%
2.C.3 · Other	279.40	1,524.07	9,550.00	(8,025.93)	15.96%
Total 2.C · Waste Disposal	279.40	1,524.07	21,200.00	(19,675.93)	7.19%
2.D · Slag Pile Reprocessing	-	70.00	20,000.00	(19,930.00)	0.35%

Montana Environmental Custodial Trust
East Helena Clean-up Account
STATEMENTS OF ACTIVITIES
For the quarter and year ending December 31, 2015

	4th QTR	YTD	Approved Budget*	Variance	Percentage of Budget
2.E · Tenants					
2.E.4 · Other	70.00	570.00	5,700.00	(5,130.00)	10.00%
Total 2.E · Tenants	70.00	570.00	5,700.00	(5,130.00)	10.00%
2.F · RCRA Compliance					
2.F.1 · Reporting	140.00	385.00	2,000.00	(1,615.00)	19.25%
2.F.2 · Inspections	192.50	945.00	5,000.00	(4,055.00)	18.90%
2.F.5 · CAMU O&M	1,680.00	18,931.89	33,820.00	(14,888.11)	55.98%
2.F.6 · CAMU Final Cap	-	7,788.83	12,500.00	(4,711.17)	62.31%
2.F.7 · CAMU Leachate Treatment System	-	-	50,000.00	(50,000.00)	0.00%
Total 2.F · RCRA Compliance	2,012.50	28,050.72	103,320.00	(75,269.28)	27.15%
2.I · Risk Assessment					
2.I.1 · HHRA	-	-	25,000.00	(25,000.00)	0.00%
2.I.2 · BERA	-	-	25,000.00	(25,000.00)	0.00%
Total 2.I · Risk Assessment	-	-	50,000.00	(50,000.00)	0.00%
2.J · Interim Measures					
2.J.1 · South Plant Hydraulic Control IM					
2.J.1a · SPHC IM Design	4,032.91	83,307.61	85,000.00	(1,692.39)	98.01%
2.J.1b · SPHC IM Construction	-	-	55,000.00	(55,000.00)	0.00%
2.J.1c · SPHC IM O & M	-	6,020.00	50,000.00	(43,980.00)	12.04%
2.J.1 · SPHC IM Design & Construction	4,032.91	89,327.61	190,000.00	(100,672.39)	47.01%
2.J.2 · ET Cover System IM					
2.J.2a · ET Cover IM Design	14,404.64	120,210.25	175,000.00	(54,789.75)	68.69%
2.J.2b · ET Cover IM Construction	-	354,788.41	411,150.00	(56,361.59)	86.29%
2.J.2c · ET Cover System O & M	315.00	1,855.00	25,000.00	(23,145.00)	7.42%
2.J.2 · ET Cover IM Design & Construction	14,719.64	476,853.66	611,150.00	(134,296.34)	78.03%
2.J.3 · Source Removal IM					
2.J.3a · Source Removal Design	306.30	79,555.44	195,000.00	(115,444.56)	40.80%
2.J.3b · Source Removal Construction	-	9,358.16	20,000.00	(10,641.84)	46.79%
2.J.2c · Source Removal O & M	-	-	25,000.00	(25,000.00)	0.00%
2.J.3 · Source Removal Design & Construction	306.30	88,913.60	240,000.00	(151,086.40)	37.05%

Montana Environmental Custodial Trust
East Helena Clean-up Account
STATEMENTS OF ACTIVITIES
For the quarter and year ending December 31, 2015

	4th QTR	YTD	Approved Budget*	Variance	Percentage of Budget
2.J.4 · IM/RCRA Support					
2.J.4a · IM Work Plan(s)	18,982.11	42,144.15	75,000.00	(32,855.85)	56.19%
2.J.4b · Corrective Measures Study	236,517.13	889,608.96	1,311,000.00	(421,391.04)	67.86%
2.J.4d · Controlled Groundwater Area	115,128.76	118,173.01	258,000.00	(139,826.99)	45.80%
2.J.4g · Long-term Planning	625.03	6,468.22	100,000.00	(93,531.78)	6.47%
2.J.4h · Phase II RFI/Soil Characterization	32,916.94	66,267.84	210,000.00	(143,732.16)	31.56%
2.J.4j · Efforts to Avoid MBTA Non-Compliance	-	30,362.98	100,000.00	(69,637.02)	30.36%
2.J.4 · IM/RCRA Support	404,169.97	1,153,025.16	2,054,000.00	(900,974.84)	56.14%
2.J.5 · Design Management/Execution					
2.J.5a · Management/IM Development	71,098.56	314,493.67	390,000.00	(75,506.33)	80.64%
2.J.5b · Schedule	2,162.04	30,819.72	51,000.00	(20,180.28)	60.43%
2.J.5c · Financial Affairs and Reporting	10,354.67	69,130.74	115,000.00	(45,869.26)	60.11%
2.J.5d · Sub-contracting	1,602.80	19,636.68	31,000.00	(11,363.32)	63.34%
2.J.5f · Direct Expenses	3,114.92	17,916.31	30,000.00	(12,083.69)	59.72%
2.J.5h · Project Insurance Premium	-	101,950.60	105,000.00	(3,049.40)	97.10%
2.J.5j · IM Operations and Support	31,050.37	71,653.03	73,000.00	(1,346.97)	98.15%
2.J.5 · Design Management/Execution	119,383.36	625,600.75	795,000.00	(169,399.25)	78.69%
Total 2.J · Interim Measures	542,612.18	2,433,720.78	3,890,150.00	(1,456,429.22)	62.56%
2.K · Documents & Records					
2.K.1 · System Set-Up	505.01	3,385.61	23,500.00	(20,114.39)	14.41%
2.K.2 · System Maintenance	4,213.76	7,375.76	36,000.00	(28,624.24)	20.49%
Total 2.K · Documents & Records	4,718.77	10,761.37	59,500.00	(48,738.63)	18.09%
2.M · CERCLA Compliance	2,416.61	7,069.11	76,800.00	(69,730.89)	9.20%
2.N · Financial Affairs					
2.N.1 · Financial Affairs-CPA	6,001.58	25,168.68	45,000.00	(19,831.32)	55.93%
Total 2.N · Financial Affairs	6,001.58	25,168.68	45,000.00	(19,831.32)	55.93%
2.O · Redevelopment					
2.O.1 · Redevelopment Plans & Studies	-	-	10,000.00	(10,000.00)	0.00%
2.O.2 · Redevelopment Support	-	-	10,000.00	(10,000.00)	0.00%
2.O.3 · Redevelopment Issues	-	-	10,000.00	(10,000.00)	0.00%
Total 2.O · Redevelopment	-	-	30,000.00	(30,000.00)	0.00%

Montana Environmental Custodial Trust
East Helena Clean-up Account
STATEMENTS OF ACTIVITIES
For the quarter and year ending December 31, 2015

	4th QTR	YTD	Approved Budget*	Variance	Percentage of Budget
2.P · Community Relations					
2.P.1 · General Meetings	-	-	4,000.00	(4,000.00)	0.00%
2.P.2 · RCRA Annual Public Meeting	-	1,477.50	4,000.00	(2,522.50)	36.94%
2.P.3 · East Helena Website	-	823.25	10,000.00	(9,176.75)	8.23%
2.P.5 · Other Community Relations	6,490.00	12,865.00	35,000.00	(22,135.00)	36.76%
Total 2.P · Community Relations	6,490.00	15,165.75	53,000.00	(37,834.25)	28.61%
2.R · Legal Support					
2.R.1 · Outside Counsel Fees & Expenses	6,272.13	18,799.80	67,080.00	(48,280.20)	28.03%
2.R.2 · In-House Legal Services	15,412.50	82,143.75	45,000.00	37,143.75	182.54%
Total 2.R · Legal Support Total	21,684.63	100,943.55	112,080.00	(11,136.45)	90.06%
2.T · Trustee Management & Support					
2.T.4 · GW and PPC Project Management	4,106.25	69,341.92	80,160.00	(10,818.08)	86.50%
2.T.6 · Compliance Manager	11,421.88	25,224.26	56,160.00	(30,935.74)	44.91%
2.T.7 · Operations Manager	19,305.00	87,441.25	87,750.00	(308.75)	99.65%
2.T.8 · Operations Support Specialist	4,650.00	6,825.00	36,265.00	(29,440.00)	18.82%
2.T.9 · Project Controls/Fin Affairs Coordinator	18,929.25	81,533.25	175,968.00	(94,434.75)	46.33%
2.T.11 · Trustee Mgmt. EH Clean Up	59,896.29	249,819.29	439,764.00	(189,944.71)	56.81%
2.T.12 · Trustee Land Use & Re-use	787.50	19,125.00	93,600.00	(74,475.00)	20.43%
2.T.13 · Trustee Travel and Directs	6,489.93	24,136.15	35,000.00	(10,863.85)	68.96%
Total 2.T · Trustee Management & Support Total	125,586.10	563,446.12	1,004,667.00	(441,220.88)	56.08%
Total 2015 East Helena expenses	748,793.74	3,353,743.12	5,916,992.00	(2,563,248.88)	56.68%
2015/2016 East Helena Construction expenses*	2,622,816.69	8,155,435.00	20,395,000.00	(12,239,565.00)	39.99%
Change in net assets	(3,340,745.13)	(10,969,454.86)	\$ (26,311,992.00)	\$ 14,772,813.88	41.69%
Net assets, beginning of period	64,058,047.03	71,686,756.76 ⁽¹⁾			
Net assets, end of period	\$ 60,717,301.90	\$ 60,717,301.90			

(1) 2014 net assets restated by \$55,536.76 for expenses incurred in 2014 but not received and recorded until after distribution of 4th quarter 2014 financial statements

*2015/2016 (two-year) approved budget; see detail on page 14

Montana Environmental Custodial Trust
Summary East Helena Clean-up Account

SUMMARY STATEMENTS OF ACTIVITIES
For the quarter and year ending December 31, 2015

	4th QTR	YTD	Approved Budget	Variance	Percentage of Budget
Revenues:					
2.RNT · Rental Income	\$ 8,882.00	\$ 83,090.00			
Investment income, net of fees	(260,418.71)	930,536.70			
Unrealized gains (losses)	282,402.01	(473,903.44)			
Total revenues (losses)	30,865.30	539,723.26			
Expenses:					
2.A · Water Treatment Plant	19,513.36	72,105.76	\$ 257,375.00	\$ (185,269.24)	28.02%
2.B · General Site Operations	17,408.61	95,147.21	188,200.00	(93,052.79)	50.56%
2.C · Waste Disposal	279.40	1,524.07	21,200.00	(19,675.93)	7.19%
2.D · Slag Pile Reprocessing	-	70.00	20,000.00	(19,930.00)	0.35%
2.E · Tenants	70.00	570.00	5,700.00	(5,130.00)	10.00%
2.F · RCRA Compliance	2,012.50	28,050.72	103,320.00	(75,269.28)	27.15%
2.I · Risk Assessment	-	-	50,000.00	(50,000.00)	0.00%
2.J · Interim Measures	542,612.18	2,433,720.78	3,890,150.00	(1,456,429.22)	62.56%
2.K · Documents & Records	4,718.77	10,761.37	59,500.00	(48,738.63)	18.09%
2.M · CERCLA Compliance	2,416.61	7,069.11	76,800.00	(69,730.89)	9.20%
2.N · Financial Affairs	6,001.58	25,168.68	45,000.00	(19,831.32)	55.93%
2.O · Redevelopment	-	-	30,000.00	(30,000.00)	0.00%
2.P · Community Relations	6,490.00	15,165.75	53,000.00	(37,834.25)	28.61%
2.R · Legal Support	21,684.63	100,943.55	112,080.00	(11,136.45)	90.06%
2.T · Trustee Management & Staff	125,586.10	563,446.12	1,004,667.00	(441,220.88)	56.08%
Total 2015 East Helena expenses	748,793.74	3,353,743.12	5,916,992.00	(2,563,248.88)	56.68%
2015/2016 East Helena Construction expenses*	2,622,816.69	8,155,435.00	20,395,000.00	(12,239,565.00)	39.99%
Change in net assets	(3,340,745.13)	(10,969,454.86)	\$ (26,311,992.00)	\$ 14,802,813.88	41.69%
Net assets, beginning of period	64,058,047.03	71,686,756.76 ⁽¹⁾			
Net assets, end of period	\$ 60,717,301.90	\$ 60,717,301.90			

(1) 2014 net assets restated by \$55,536.76 for expenses incurred in 2014 but not received and recorded until after distribution of 4th quarter 2014 financial statement:

*2015/2016 (two-year) approved budget; see detail on page 14

Montana Environmental Custodial Trust
East Helena Clean-up Account
2015/2016 Construction Budget

SCHEDULE

For the quarter and year ending December 31, 2015

	<u>4th QTR</u>	<u>2015/2016 Total</u>	<u>Approved Budget</u>	<u>Variance</u>	<u>Percentage of Budget</u>
2015/2016 Construction Expenses:					
2.F · RCRA Compliance					
2.F.7 · CAMU Leachate Treatment System	\$ -	\$ -	\$ -	\$ -	0.00%
Total 2.F · RCRA Compliance	-	-	-	-	0.00%
2.J · Interim Measures					
2.J.1 · South Plant Hydraulic Control IM					
2.J.1b · SPHC IM Construction	1,420,433.41	3,988,595.30	12,135,000.00	(8,146,404.70)	32.87%
2.J.1 · SPHC IM Design & Construction	1,420,433.41	3,988,595.30	12,135,000.00	(8,146,404.70)	32.87%
2.J.2 · ET Cover System IM					
2.J.2b · ET Cover IM Construction	1,196,967.58	4,161,424.00	8,000,000.00	(3,838,576.00)	52.02%
2.J.2 · ET Cover IM Design & Construction	1,196,967.58	4,161,424.00	8,000,000.00	(3,838,576.00)	52.02%
2.J.3 · Source Removal IM					
2.J.3a · Source Removal Design	5,415.70	5,415.70	50,000.00	(44,584.30)	10.83%
2.J.3b · Source Removal Construction	-	-	210,000.00	(210,000.00)	0.00%
2.J.3 · Source Removal Design & Construction	5,415.70	5,415.70	260,000.00	(254,584.30)	2.08%
2015/2016 East Helena Construction Expenses	<u>\$ 2,622,816.69</u>	<u>\$ 8,155,435.00</u>	<u>\$ 20,395,000.00</u>	<u>\$ (12,239,565.00)</u>	<u>39.99%</u>

Montana Environmental Custodial Trust
Mike Horse/UBMC Clean-up Account

STATEMENT OF FINANCIAL POSITION

As of December 31, 2015

ASSETS

Current assets

Cash, First Interstate Bank	\$ 10,880.93
Prepaid expenses - DEQ	11,376.35
Due from other cost centers	<u>74.41</u>
Total current assets	22,331.69

Investments, Pershing Advisory Solutions

5,750,020.60

Total assets

\$ 5,772,352.29

LIABILITIES AND NET ASSETS

Liabilities

Accounts payable	\$ 35,805.71
Due to other cost centers	<u>8,473.06</u>
Total current liabilities	44,278.77

Net assets

5,728,073.52

Total net assets and liabilities

\$ 5,772,352.29

Montana Environmental Custodial Trust
Mike Horse/UBMC Clean-up Account

STATEMENTS OF ACTIVITIES

For the quarter and year ending December 31, 2015

	4th QTR	YTD	Approved Budget	Variance	Percentage of Budget
Revenues:					
Interest income - DEQ	\$ 11.02	\$ 42.32			
Investment income, net of fees	(61,970.61)	(17,751.27)			
Unrealized gains (losses)	27,946.77	52,219.77			
Total revenues (losses)	(34,012.82)	34,510.82			
Expenses:					
4.1 MT DEQ Expenses					
4.A Personnel (MT DEQ)	4,166.73	15,778.06	\$ 31,765.00	\$ (15,986.94)	49.67%
4.DEQ Direct & Indirect Expenses	1,017.06	3,723.62	8,653.00	(4,929.38)	43.03%
4.1 Total MT DEQ Expenses	5,183.79	19,501.68	40,418.00	(20,916.32)	48.25%
4.2 Other Expenses					
4.B Material, Supplies & Chemicals					
1-62244 Chemicals	21,143.33	73,931.32	74,500.00	(568.68)	99.24%
WTP Supplies	7,746.39	44,728.19	46,100.00	(1,371.81)	97.02%
4.B Material, Supplies & Chemicals	28,889.72	118,659.51	120,600.00	(1,940.49)	98.39%
4.C Operating Labor					
1-62102-01 WTS/Trust Management and Oversight	12,090.00	47,048.00	47,060.00	(12.00)	99.97%
1-62102-01a WTS/Construction Labor	4,642.75	15,165.50	25,480.00	(10,314.50)	59.52%
1-62102-02 GETG Trustee Oversight	5,421.75	14,545.50	25,050.00	(10,504.50)	58.07%
1-62102-22 WTP Technician/Operator	36,988.02	136,627.66	140,000.00	(3,372.34)	97.59%
1-62102-42 Hydrometrics Water Balance Study	612.50	1,938.90	2,000.00	(61.10)	96.95%
4.C Operating Labor	59,755.02	215,325.56	239,590.00	(24,264.44)	89.87%
4.D Other Professional Services/Labor (Routine)					
1-62102-31 PLC & Instrumentation Service (MET)	12,874.50	13,168.50	13,250.00	(81.50)	99.38%
1-62102-41 Storm Water Regulatory Compliance	-	-	1,500.00	(1,500.00)	0.00%
1-62102-204 Health & Safety Compliance	-	-	2,000.00	(2,000.00)	0.00%
1-62891 Handyman Charges	540.00	7,490.97	7,500.00	(9.03)	99.88%
1-62102-51 GHG Accounting	781.01	3,218.50	9,000.00	(5,781.50)	35.76%
1-62243 Weed Control	-	1,200.00	1,200.00	-	100.00%
4.D Other Professional Services/Labor	14,195.51	25,077.97	34,450.00	(9,372.03)	72.80%

Montana Environmental Custodial Trust
Mike Horse/UBMC Clean-up Account

STATEMENTS OF ACTIVITIES

For the quarter and year ending December 31, 2015

	4th QTR	YTD	Approved Budget	Variance	Percentage of Budget
4.E WTP Operations - Analytical (Routine)					
1-62106-01 Energy Lab Testing (O&M Samples)	2,770.25	9,999.75	11,000.00	(1,000.25)	90.91%
1-62106-02 Linda Tangen Data Validation (O&M)	1,044.82	3,564.68	3,500.00	64.68	101.85%
1-62106-03 Energy Lab Testing (Repositories)	-	1,170.00	2,500.00	(1,330.00)	46.80%
4.E WTP Operations - Analytical	3,815.07	14,734.43	17,000.00	(2,265.57)	86.67%
4.F WTP Operations - Utilities (Routine)					
1-62186 Waste Disposal	3,180.77	10,983.97	10,944.00	39.97	100.37%
1-62371 Telephone	841.86	4,024.36	6,180.00	(2,155.64)	65.12%
1-62601 Electricity	11,916.39	50,317.83	51,765.00	(1,447.17)	97.20%
1-62605 Water & Sewage	200.00	1,000.00	2,500.00	(1,500.00)	40.00%
1-62606 Garbage & Trash	330.30	1,181.20	1,800.00	(618.80)	65.62%
1-62607 Propane	19,024.89	27,405.14	26,000.00	1,405.14	105.40%
4.F WTP Operations - Utilities	35,494.21	94,912.50	99,189.00	(4,276.50)	95.69%
4.H Projects & Construction					
1-62102-01 Unforeseen Repairs	9,194.84	23,694.23	59,501.00	(35,806.77)	39.82%
1-62102-28 Operational Troubleshooting & Support (CDM)	-	-	-	-	0.00%
1-62102-233 Building Repairs (Corrosion Damage)	-	-	4,500.00	(4,500.00)	0.00%
1-63113-03 Spare Parts	12,107.04	24,130.74	25,000.00	(869.26)	96.52%
1-63113-20 Finalize O&M Manual	-	-	-	-	0.00%
1-63113-31 Replace Bearings, Seals & Laser Align CMF & CIP Pumps	-	-	-	-	0.00%
1-63113-37 Upper Seep Expansion	-	-	-	-	0.00%
1-63113-38 Install 3-way Solenoid Valves/New AL Header on CMF	2,740.37	3,343.56	3,400.00	(56.44)	98.34%
1-63113-39 Larger Air Diaphragm Pump & HDPE Piping	-	6,778.28	6,800.00	(21.72)	99.68%
1-63113-40 Upgrade PLC MMI & Operating System	3,875.00	17,047.00	17,200.00	(153.00)	99.11%
1-63113-41 Purchase/install 2nd Shipping Container	-	7,406.36	7,500.00	(93.64)	98.75%
1-63113-42 Purchase Replacement Tire Chains for 924 Loader	-	1,370.02	1,500.00	(129.98)	91.33%
1-63113-43 Fabricate Bucket Decon Area for 924 Loader	-	-	-	-	0.00%
1-63113-44 Rent Frac Tank and Set Pumping/Controls	-	-	-	-	0.00%
1-63113-45 Fabricate/Install Sludge Storage Bin Under Awning	-	12,916.97	13,300.00	(383.03)	97.12%
1-63113-46 Install PLC Remote I/O Ether Net Cable	3,000.00	4,464.65	4,500.00	(35.35)	99.21%
1-62102-44 Hydro: Remediation Oversight (Upper Seep)	-	-	-	-	0.00%
1-62102-45 Install Monitoring Well at Carbon Deposit	-	1,760.94	19,551.00	(17,790.06)	9.01%
1-62102-46 Hydro: Remediation Oversight (Repository Removal)	-	-	-	-	0.00%
1-63113-302 Sludge TCLP Fails for Cadmium	-	-	-	-	0.00%
1-63113-304 Remediation Support	276.25	422.50	9,750.00	(9,327.50)	4.33%
4.H Projects & Construction	31,193.50	103,335.25	172,502.00	(69,166.75)	59.90%
4.2 Total Other Expenses	173,343.03	572,045.22	683,331.00	(111,285.78)	83.71%

Montana Environmental Custodial Trust
Mike Horse/UBMC Clean-up Account

STATEMENTS OF ACTIVITIES

For the quarter and year ending December 31, 2015

	4th QTR	YTD	Approved Budget	Variance	Percentage of Budget
Total expenses	178,526.82	591,546.90	723,749.00	(132,202.10)	81.73%
Change in net assets	(212,539.64)	(557,036.08)	<u>\$ (723,749.00)</u>	<u>\$ 132,202.10</u>	<u>76.97%</u>
Net assets, beginning of period	5,940,613.16	6,285,109.60 ⁽¹⁾			
Net assets, end of period	<u>\$ 5,728,073.52</u>	<u>\$ 5,728,073.52</u>			

(1) 2014 net assets restated by \$5,236.50 for expenses incurred in 2014 but not received and recorded until after distribution of 4th quarter 2014 financial statements

Montana Environmental Custodial Trust

Black Pine Clean-up Account

STATEMENT OF FINANCIAL POSITION

As of December 31, 2015

ASSETS	
Current assets	
Cash, First Interstate Bank	\$ 22,256.44
Money Market	90,790.60
Prepaid expenses - DEQ	207,299.82
Total current assets	<u>320,346.86</u>
Investments, Pershing Advisory Solutions	15,413,217.31
Total assets	<u><u>\$ 15,733,564.17</u></u>
LIABILITIES AND NET ASSETS	
Liabilities	
Accounts payable	\$ 2,664.45
Due to other cost centers	-
Total current liabilities	<u>2,664.45</u>
Net assets	15,730,899.72
Total net assets and liabilities	<u><u>\$ 15,733,564.17</u></u>

Montana Environmental Custodial Trust
Black Pine Clean-up Account
STATEMENTS OF ACTIVITIES
For the quarter and year ending December 31, 2015

	4th QTR	YTD	Approved Budget	Variance	Percentage of Budget
Revenues:					
Interest Income - DEQ	\$ 263.26	\$ 764.65			
Interest Income - MM	23.36	109.90			
Investment income, net of fees	(237,874.74)	(55,637.08)			
Unrealized gains (losses)	116,835.91	125,810.91			
Total revenues (losses)	(120,752.21)	71,048.38			
Expenses:					
5.1 Costs Paid Directly by Trustee from Clean-up Account					
2-2-01 Trustee Services/Expenses-Cox	32.50	81.25	\$ 1,000.00	\$ (918.75)	8.13%
2-2-02 Trustee Services/Expenses-GETG	373.50	2,005.50	5,000.00	(2,994.50)	40.11%
2-2-03 Mine Maintenance/Security	4,557.00	16,926.00	16,926.00	-	100.00%
2-2-04 Generator Maintenance	-	835.74	4,000.00	(3,164.26)	20.89%
2-2-51 Accounting Services	332.50	1,589.53	5,000.00	(3,410.47)	31.79%
2-62401 Mileage	580.75	2,295.73	2,350.60	(54.87)	97.67%
2-62405 Snowmobile	120.00	442.50	907.50	(465.00)	48.76%
5.1.1 Utilities					
2-62601 Electricity	682.80	6,218.25	6,500.00	(281.75)	95.67%
2-62607 Propane	-	413.23	2,840.00	(2,426.77)	14.55%
5.1.1 Utilities Total	682.80	6,631.48	9,340.00	(2,708.52)	71.00%
5.1 Trustee Costs Total	6,679.05	30,807.73	44,524.10	(13,716.37)	69.19%
5.2 DEQ Costs	165,680.48	981,040.48 ⁽¹⁾	1,253,291.00	(272,250.52)	78.28%
Total expenses	172,359.53	1,011,848.21	1,297,815.10	(285,966.89)	77.97%
Change in net assets	(293,111.74)	(940,799.83)	\$ (1,297,815.10)	\$ 285,966.89	72.49%
Net assets, beginning of period	16,024,011.46	16,671,699.55			
Net assets, end of period	\$ 15,730,899.72	\$ 15,730,899.72			

(1) See the supplemental schedule provided by the Montana Department of Environmental Quality for details of 5.2 DEQ Costs ; see detail on page 21

Black Pine Mine Custodial Trust Expense Tracking

		Personnel	Fringe	Travel	Equipment	Supplies	Contractual	Construction	Other	Total Direct	Indirect	Totals
Budget request 2015		\$ 92,041.00	\$ 27,613.00	\$ 13,850.00	\$ 5,000.00		\$ 305,479.00	\$ 734,895.00	\$ 4,425.00	\$ 1,183,303.00	\$ 69,988.00	\$ 1,253,291.00
	Jan-Feb 2015	\$ 15,202.64	\$ 5,453.89	\$ 725.93		\$ 23.05	\$ 51,796.11	\$ 42,999.00	\$ 2,231.73	\$ 118,432.35	\$ 8,094.72	\$ 126,527.07
	Apr-Jun 2015	\$ 17,700.90	\$ 5,780.17	\$ 1,631.00			\$ 105,504.85	\$ 176,993.86	\$ 779.28	\$ 308,390.06	\$ 16,341.10	\$ 324,731.16
Additional funding received July 2015												
	July-Sep 2015	\$ 12,065.57	\$ 4,200.85	\$ 394.17			\$ 29,422.91	\$ 306,809.04	\$ 113.85	\$ 353,006.39	\$ 11,095.38	\$ 364,101.77
	Oct-Dec 2015	\$ 15,744.95	\$ 5,678.61	\$ 1,820.99			\$ 130,476.43		\$ 1,644.89	\$ 155,365.87	\$ 10,314.61	\$ 165,680.48
Expenses in 2015		\$ 60,714.06	\$ 21,113.52	\$ 4,572.09	\$ -	\$ 23.05	\$ 317,200.30	\$ 526,801.90	\$ 4,769.75	\$ 935,194.67	\$ 45,845.81	\$ 981,040.48
2015 Budget request balance remaining		\$ 31,326.94	\$ 6,499.48	\$ 9,277.91	\$ 5,000.00	\$ (23.05)	\$ (11,721.30)	\$ 208,093.10	\$ (344.75)	\$ 248,108.33	\$ 24,142.19	\$ 272,250.52

Montana Environmental Custodial Trust
Iron Mountain Clean-up Account

STATEMENT OF FINANCIAL POSITION

As of December 31, 2015

ASSETS

Current assets

Cash

\$ 715.00

Total current assets

-

Investments, Pershing Advisory Solutions

1,997,061.31

Total assets

\$ 1,997,776.31

LIABILITIES AND NET ASSETS

Liabilities

Accounts payable

\$ 7,769.73

Net assets

1,990,006.58

Total net assets and liabilities

\$ 1,997,776.31

Montana Environmental Custodial Trust
Iron Mountain Clean-up Account

STATEMENTS OF ACTIVITIES

For the quarter and year ending December 31, 2015

	YTD	Approved Budget	Variance	Percentage of Budget
Revenues:				
Investment income, net of fees	\$ 4,381.87			
Unrealized gains (losses)	8,156.82			
Total revenues (losses)	12,538.69			
Expenses:				
VI.A Clean-up Activities				
VI.A.1 GETG Trustee Fees	5,518.98	\$ 6,192.00	\$ (673.02)	89.13%
VI.A.2 GETG/Trustee Expenses	-	250.00	(250.00)	0.00%
VI.A Total Clean-up Activities	5,518.98	6,442.00	(923.02)	85.67%
VI.C Legal Affairs				
VI.C.1 Outside Counsel	-	2,000.00	(2,000.00)	0.00%
VI.C Total Legal Affairs	-	2,000.00	(2,000.00)	0.00%
VI.D Financial Affairs				
VI.D.1 GHG Fees & Expenses	-	1,800.00	(1,800.00)	0.00%
VI.D Total Financial Affairs	-	1,800.00	(1,800.00)	0.00%
Total expenses	5,518.98	10,242.00	(4,723.02)	53.89%
Change in net assets	7,019.71	\$ (10,242.00)	\$ 4,723.02	-68.54%
Net assets, beginning of period	1,982,986.87			
Net assets, end of period	\$ 1,990,006.58			

Montana Environmental Custodial Trust

East Helena NRD Account

STATEMENT OF FINANCIAL POSITION

As of December 31, 2015

ASSETS	
Current assets	
Cash	\$ -
Total current assets	-
Investments, Pershing Advisory Solutions	685,252.80
Total assets	<u>\$ 685,252.80</u>
LIABILITIES AND NET ASSETS	
Liabilities	\$ -
Net assets	685,252.80
Total net assets and liabilities	<u>\$ 685,252.80</u>

STATEMENT OF ACTIVITIES

For the year ending December 31, 2015

Revenues:	
Investment income	\$ 380.21
Total revenues	380.21
Expenses:	
Total expenses	-
Change in net assets	380.21
Net assets, beginning of period	684,872.59
Net assets, end of period	<u>\$ 685,252.80</u>

Montana Environmental Custodial Trust

Iron Mountain NRD Account

STATEMENT OF FINANCIAL POSITION

As of December 31, 2015

ASSETS	
Current assets	
Cash	\$ -
Total current assets	-
Investments, Pershing Advisory Solutions	31,196.43
Total assets	<u>\$ 31,196.43</u>
LIABILITIES AND NET ASSETS	
Liabilities	\$ -
Net assets	31,196.43
Total net assets and liabilities	<u>\$ 31,196.43</u>

STATEMENT OF ACTIVITIES

For the year ending December 31, 2015

Revenues:	
Investment income	\$ 17.38
Total revenues	17.38
Expenses:	
Total expenses	-
Change in net assets	17.38
Net assets, beginning of period	31,179.05
Net assets, end of period	<u>\$ 31,196.43</u>

Montana Environmental Custodial Trust
Black Pine NRD Account

STATEMENT OF FINANCIAL POSITION

As of December 31, 2015

ASSETS	
Current assets	
Cash	\$ -
Total current assets	<u>-</u>
Investments, Pershing Advisory Solutions	56,349.56
Total assets	<u><u>\$ 56,349.56</u></u>
LIABILITIES AND NET ASSETS	
Liabilities	\$ -
Net assets	56,349.56
Total net assets and liabilities	<u><u>\$ 56,349.56</u></u>

STATEMENT OF ACTIVITIES

For the year ending December 31, 2015

Revenues:	
Investment income	\$ 31.27
Total revenues	<u>31.27</u>
Expenses:	
Total expenses	<u>-</u>
Change in net assets	31.27
Net assets, beginning of period	56,318.29
Net assets, end of period	<u><u>\$ 56,349.56</u></u>